

## **FISCAL NOTE - CAPTION BILL**

### **HB 337 – SB 1368**

April 27, 2001

**CAPTION BILL:** Fiscal note reflects an amendment filed to lift the bill from the House Clerk's desk (005691).

**SUMMARY OF BILL:** Increases the privilege tax on wine from \$1.10 per gallon to \$2.10 per gallon. Increases the privilege tax on spirits from \$4.00 per gallon to \$5.00 per gallon. Increases the tax on alcohol from \$3.90 per 31 liquid gallons to \$20.43 per 31 liquid gallons.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Revenues - Net Impact - \$82,619,940**

**Increase State Expenditures - \$25,000 One-Time**

**Increase Local Govt. Revenues - Net Impact - \$21,680,902**

Estimate assumes the following:

- The base number of gallons of wine sold is approximately 5,574,503.
- A decrease of in-state wine sales of approximately 278,725 [5%] is estimated based on the increase in tax.
- an increase in revenues on wine tax of approximately \$4,989,180, of which \$4,116,073 is state and \$873,106 is local government.
- The base number of gallons of spirits sold is approximately 3,880,734.
- A decrease of in-state spirits sales of approximately 194,037 [5%] based on the increase in tax.
- The increase in revenues on spirits tax of approximately \$2,910,551, of which \$2,401,204 is state and \$509,346 is local government.
- The base number of gallons of alcohol sold is approximately 5,713,937.
- A decrease of in-state alcohol sales of approximately 285,697 gallons [5%] based on the increase in tax.
- An increase in revenues on alcohol tax of approximately \$88,614,587, of which \$70,439,735 is state and \$18,174,852 is local government.

**HB 337 - SB 1368  
CAPTION BILL**

- A net increase in state sales tax revenue of approximately \$5,662,928 based on the increased price of wine, spirits, and alcohol. The net impact includes a decrease of state sales tax based on a 5% decrease of in-state purchases after the increased tax is imposed.
- A net increase in local government sales tax revenue of approximately \$2,123,598 based on the increased price of wine, spirits, and alcohol. The net impact includes a decrease of local government sales tax based on a 5% decrease of in-state purchases after the increased tax is imposed.
- A one-time increase in state expenditures of approximately \$25,000 for systems implementation costs.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director